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EWP
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The President's Daily Brief

June 28, 1974

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~~*Top Secret*~~ 25X1

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THE PRESIDENT'S DAILY BRIEF

June 28, 1974

PRINCIPAL DEVELOPMENTS

The fedayeen in southern Lebanon reportedly are operating almost without restriction by the Beirut government. *(Page 1)* 25X1

Moscow is taking further steps to recover lost ground in the Middle East. *(Page 2)* 25X1

[redacted] Soviet [redacted] *(Page 3)* 25X1 25X1 25X1 25X1

The Lao Communists are worried that, for the first time since the new coalition government's formation nearly three months ago, they may be losing the political initiative. *(Page 4)*

The Thai government has for the moment made some gains in its drive against insurgents in the northeast, where the insurgency problem has been most acute. *(Page 5)*

The Soviets are getting ready to launch a Soyuz spacecraft. *(Page 6)*

The future of the US base at Keflavik hinges on the outcome of Iceland's parliamentary elections this Sunday. *(Page 6)*

South Korean military forces have been placed on alert after North Korean naval patrol boats sank a South Korean police boat last night. *(Page 6)*

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FEDAYEEN-LEBANON

The fedayeen in southern Lebanon reportedly are operating almost without restriction by the Beirut government. Lebanese military officers recently told a senior UN official that the army has abandoned even the pretense of controlling the Palestinian refugee camps within the country, and that it no longer checks the movement of the fedayeen in southern Lebanon unless the commandos appear at military checkpoints on their own initiative.

The information from the UN official suggests that the Lebanese have also discontinued even the casual monitoring of fedayeen movements in southern Lebanon that had been carried on over the past year.

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The army is unlikely to try to reinstate controls unless Lebanese casualties from Israeli air strikes increase sharply or Israel threatens to invade southern Lebanon. Beirut so far has easily parried demands for action against either the fedayeen or the Israelis from the growing number of Lebanese--perhaps over 10,000--who have left their homes in the south as a result of recent air and artillery strikes.

In the absence of any move by the army to control the fedayeen, there is little chance that the guerrillas will initiate action against the Lebanese government. The fedayeen are preoccupied with their own political problems and with defense against Israeli reprisals.

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USSR - MIDDLE EAST

The Soviets are taking fresh steps to recover lost ground in the Middle East. [redacted] 25X1

[redacted] 25X1

A letter from Brezhnev last week apparently set the stage for Foreign Minister Fahmi's coming trip to Moscow to discuss a summit. 25X1

The Soviets also are trying to consolidate relations with Syria and Iraq. Soviet Minister of Interior Shchelokov recently initialed an agreement in Damascus providing for greater cooperation in security affairs. Shchelokov had signed a similar agreement in Baghdad in late March. The USSR also signed an annual trade protocol with Iraq yesterday. The protocol was under negotiation for many months because of disagreement over the price the Soviets would pay for Iraqi oil.

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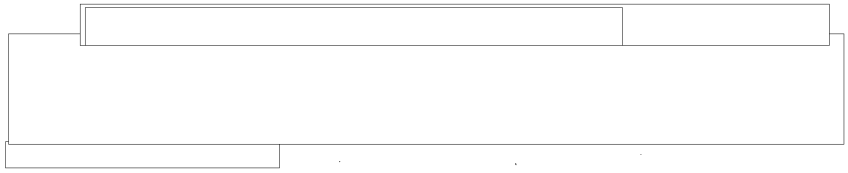

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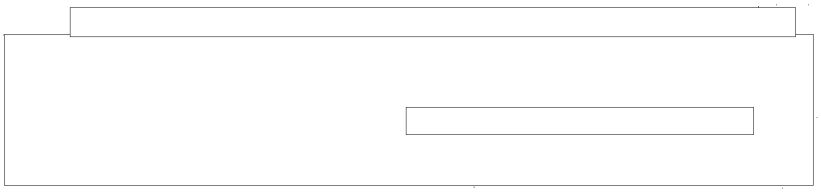

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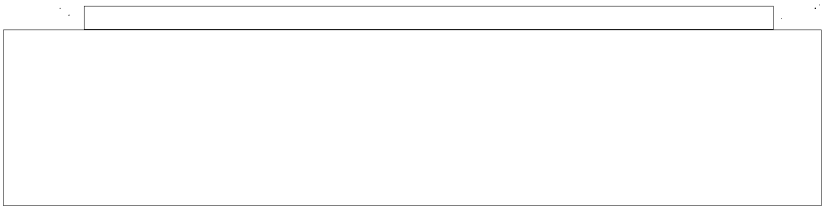

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LAOS

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The Lao Communists are worried that, for the first time since the new coalition government's formation nearly three months ago, they may be losing the political initiative. The coalition cabinet has not approved the comprehensive political and economic proposals that Pathet Lao leader Souphanouvong recently pushed through the Joint National Political Council (JNPC). These proposals have been sent to committee for further study, and the Pathet Lao fear that non-Communist cabinet ministers will try to water them down significantly and perhaps attempt to scuttle them altogether.

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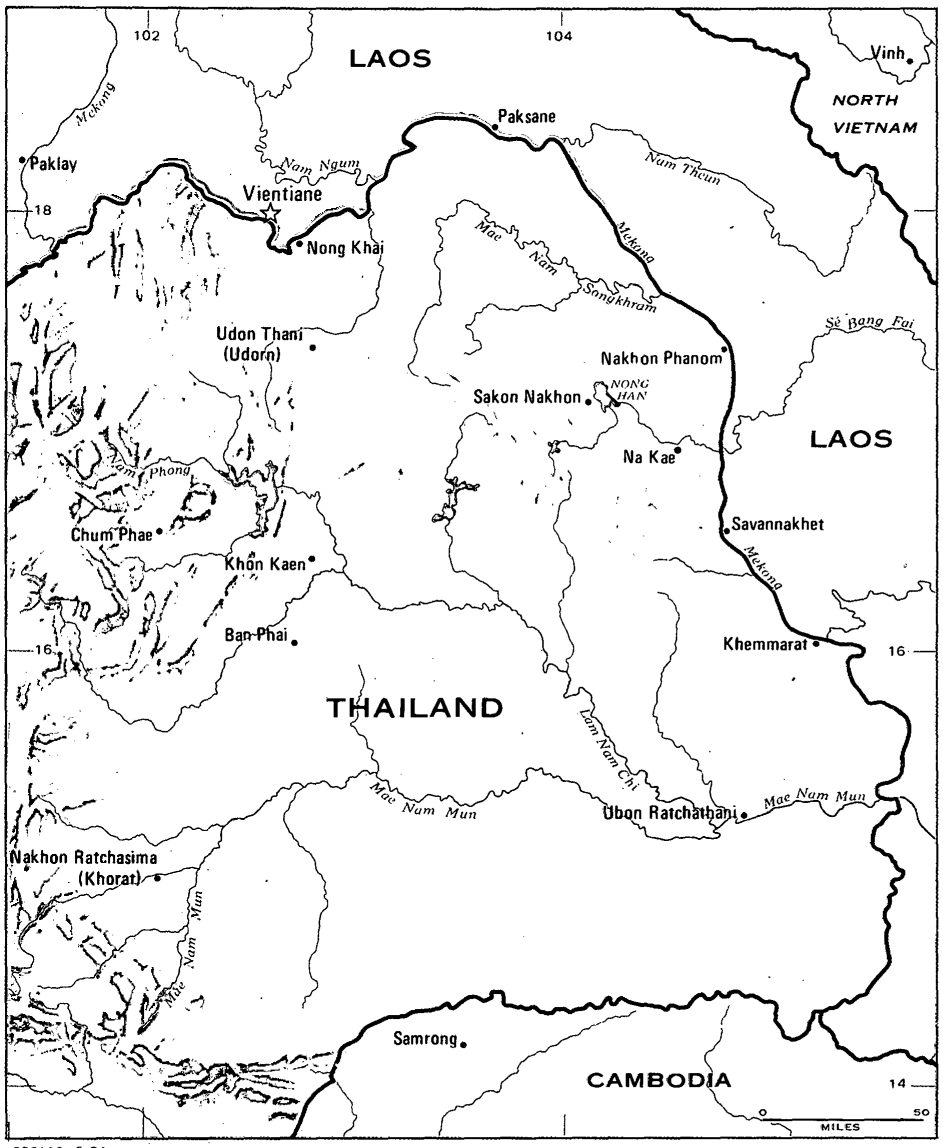

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THAILAND

The Sanya government has for the moment made some gains in its drive against insurgents in the northeast, where the insurgency problem has been most acute.

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Insurgent units consequently are withdrawing temporarily from the town of Na Kae, which for years has been the Communists' political and military stronghold in the northeast. The insurgents reportedly are regrouping near the Lao border, where they may have easier access to arms and other supplies.

The government's gains are not likely to last. A well-intended civic action program continues to be hobbled by Bangkok's inattention to the security situation in the countryside and by bureaucratic infighting at both the government and local levels. With the coming of the rainy season the army--as it has in past years--probably will reduce its forces in the field and thereby permit the insurgents to resume their presence and influence in the villages.

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NOTES

USSR: The Soviets are getting ready to launch a Soyuz spacecraft. [redacted] The Soyuz will probably carry two cosmonauts and attempt to rendezvous and dock with the Salyut space station launched Monday. The spacecraft may be launched before President Nixon visits "Star City," the cosmonaut training center.

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Iceland: The future of the US base at Keflavik hinges on the outcome of the parliamentary election this Sunday in Iceland. Prospects for retaining the base have improved. The campaign has pointed up the dissatisfaction of many voters with the way the outgoing coalition handled the base negotiations. This discontent has helped the opposition Independence Party, Iceland's largest. The party issued a strong statement on Sunday criticizing the outgoing government's proposals to revise the defense agreement and calling for retention of the base. The other opposition party leans toward retaining the base, and some members of the outgoing coalition are trying to dissociate themselves from past government policy. Since no party is likely to win a majority, the election will probably usher in a new coalition.

North Korea - South Korea: North Korean naval patrol boats intercepted and apparently sank a South Korean police boat last night off the east coast of the demilitarized zone. Twenty-eight South Koreans reportedly were killed. South Korean aircraft were sent to the area to investigate the incident. As a precaution, Seoul has placed its military on alert.

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